



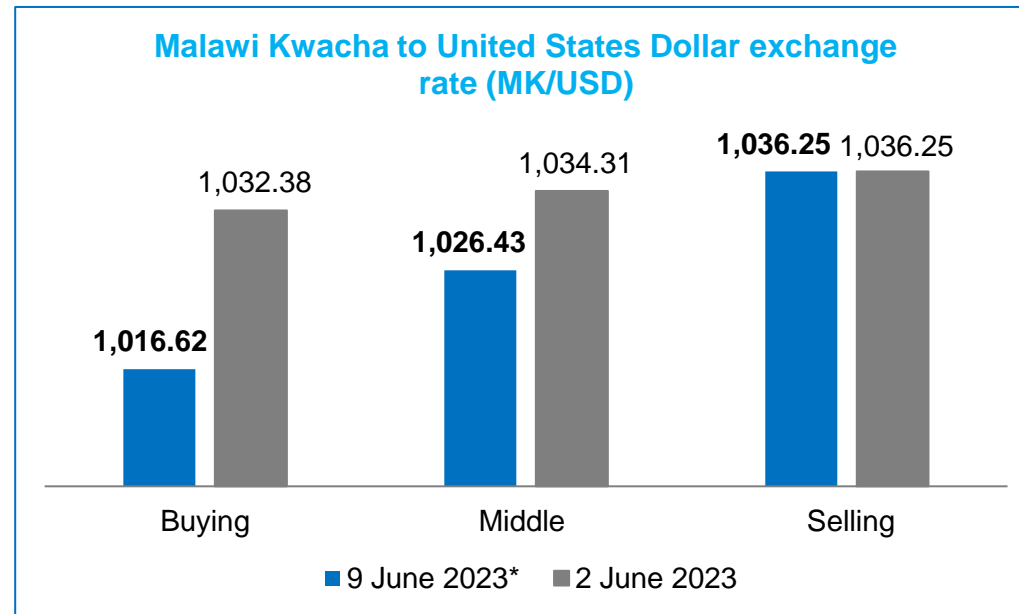
Malawi Financial Market Update

Week ending 9 June 2023

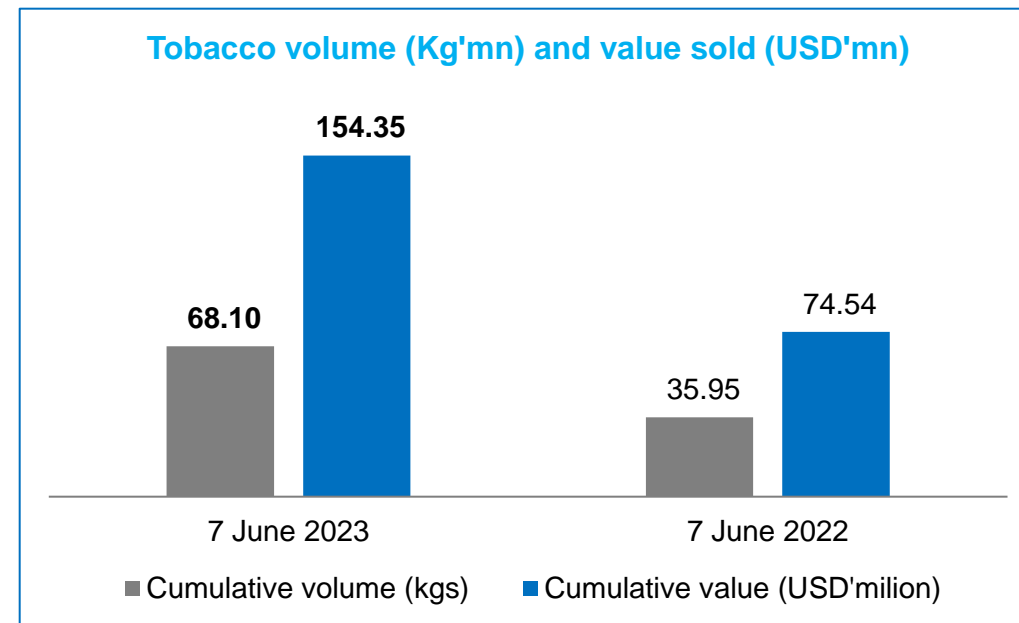


Foreign currency and other market developments

Foreign currency (Source: RBM)



Tobacco market (Source: AHL)



*: Reserve Bank of Malawi opening exchange rates as of 9 June 2023

What Happened This Week

1. The commercial bank reference rate is now 21% effective 5 June 2023 from 20% in the previous month. (*The Daily Times, 5 June 2023*).
2. In their Global Economic Prospects report, the World Bank has stated that the global economy is expected to slow down substantially this year, with global real GDP growth expected at 2.1% in 2023 from 2.9% in 2022. Real GDP growth for Sub-Saharan Africa is expected at 3.2% in 2023 from 3.6% in 2022. Downside risks faced by all regions include persistent inflation, political tension and financial stress. The report also notes that low-income countries spend less on social protection at just 3% of total spending relative to 26% for emerging economies and 40% for advanced economies (*World Bank, 6 June 2023*).
3. Figures from Auction Holdings Limited (AHL) tobacco sales show that 2.23 million kilograms (Kgs) of tobacco were sold at an average price of USD2.35/kg on 7 June 2023. This brought cumulative national figures up to 68.10 million Kgs sold at an average price of USD2.27Kg so far in the 2023 selling season leading up to 7 June 2023. The cumulative national value of tobacco sold stood at USD154.35 million (approximately MK154 billion) up 207.1% from USD74.54 million (approximately MK74 billion) of value sold during the same period in the previous year (*AHL Tobacco Sales Ltd, 8 June 2023*).
4. Airtel Malawi Plc have published the company's summary financial statements for the year ended December 2022. The results entail a 16.5% growth in revenue to MK153.46 billion from MK131.77 billion. Revenue growth was largely driven by growth of the customer base of 5.0% and growth of average revenue per user of 10.0%. Profit after tax increased by 14.19% to MK36.93 billion from MK32.36 billion. During the 2022 financial year, the company sustained a forex loss of MK12.79 billion on the back of the Kwacha weakening against major foreign currencies. In the financial year 2021, the impact of the forex loss was MK5.62 billion (*The Daily Times, 9 June 2023*).

Figures from Auction Holdings Limited (AHL) tobacco sales show that cumulative national value of tobacco sold stood at USD154.35 million (approximately MK154 billion) as up to 7 June 2023.



Financial Market Update: Week ending 9 June 2023

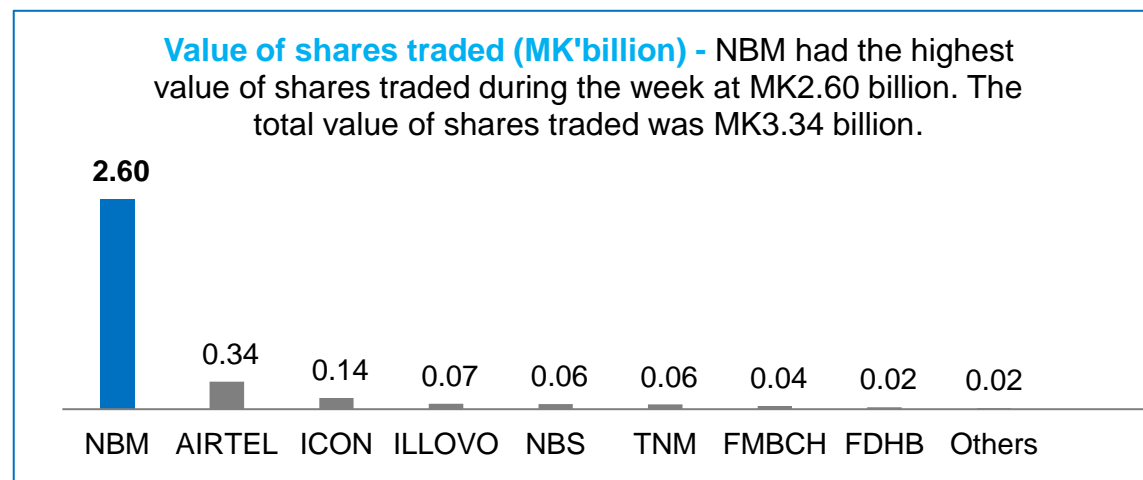
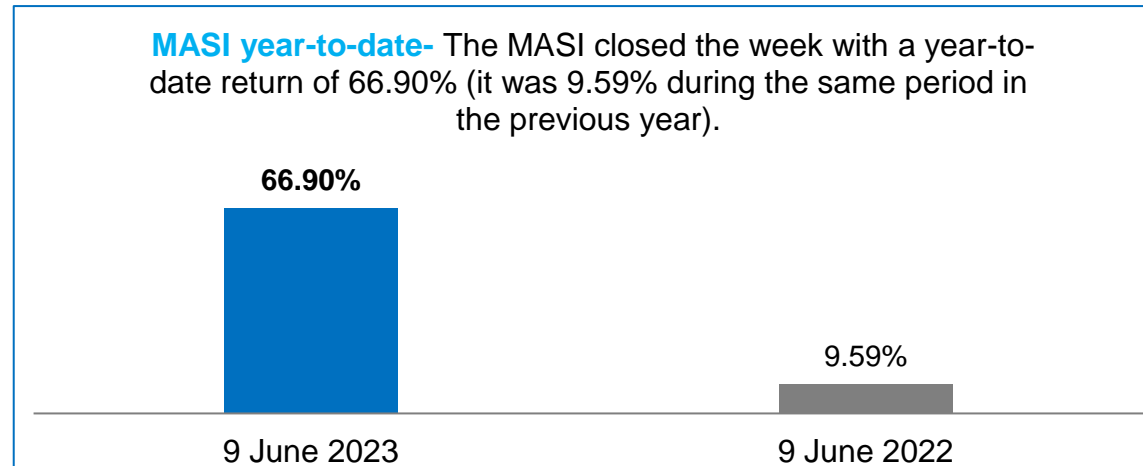
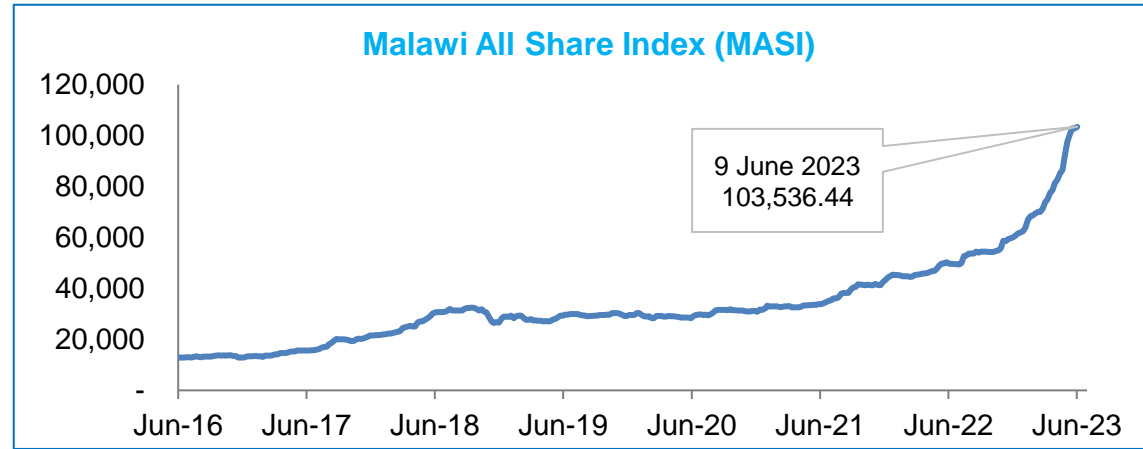
Stock market (Source: MSE)

The stock market was bullish, with the Malawi All Share Index (MASI) closing the week ending 9 June 2023 at 103,536.44 points from 102,869.06 points for the week ending 2 June 2023. Week on week, this represents a 0.65% increase.

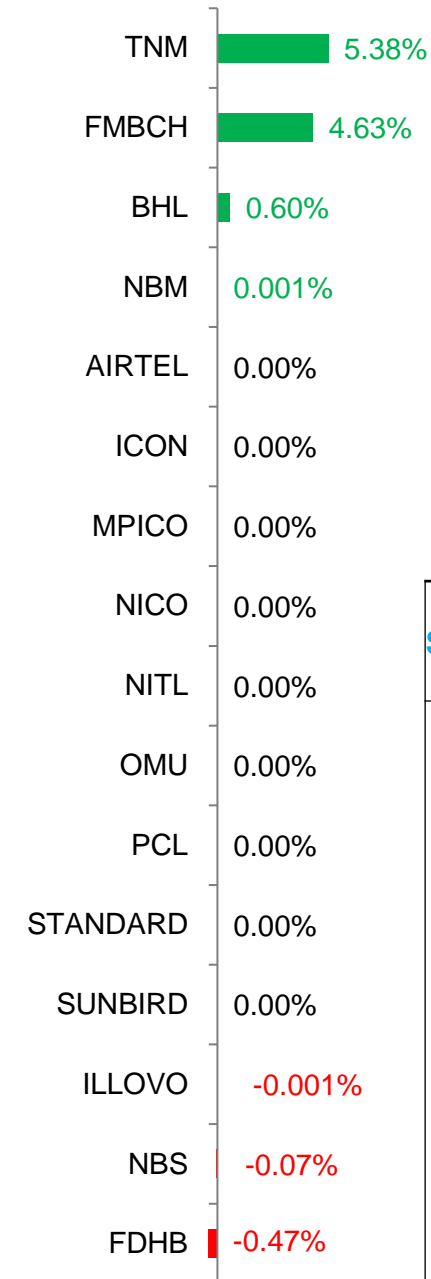
There were share price gains for TNM and FMBCH. There were also marginal share price gains for BHL and NBM. The share price gains offset marginal share price losses for ILLOVO, NBS and FDH Bank during the week under review.

NICO Holdings advises that profit after tax for the half-year ending 30 June 2023 is expected to be between MK27.0 billion and MK30.5 billion compared to MK11.8 billion reported in the previous half-year.

NBS Bank advises that profit after tax for the half-year ending 30 June 2023 is expected to be between MK10.0 billion and MK11.5 billion compared to MK5.09 billion reported in the previous half-year.



Week-on-week share price percentage change (%)



Symbol	Closing prices as of 9 June 2023 (MK/share)	Closing prices as of 2 June 2023 (MK/share)
AIRTEL	100.05	100.05
BHL	10.06	10.00
FDHB	64.15	64.45
FMBCH	218.67	209.00
ICON	11.26	11.26
ILLOVO	1,121.42	1,121.43
MPICO	20.58	20.58
NBM	2,000.33	2,000.31
NBS	88.39	88.45
NICO	163.00	163.00
NITL	330.00	330.00
OMU	1,127.51	1,127.51
PCL	2,181.27	2,181.27
STANDARD	2,300.01	2,300.01
SUNBIRD	180.50	180.50
TNM	29.99	28.46



Government securities (Source: RBM)

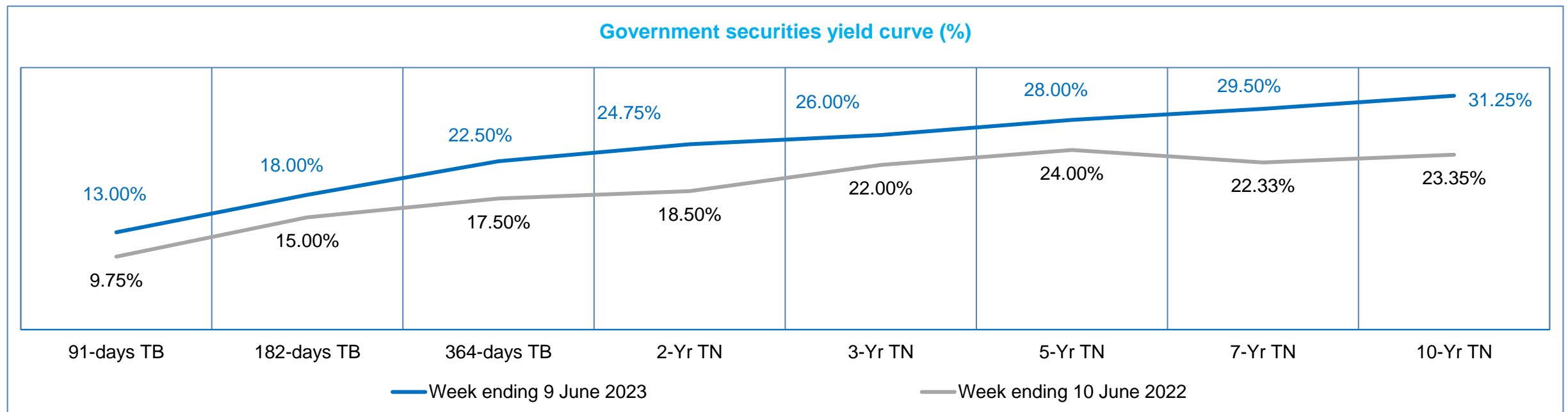
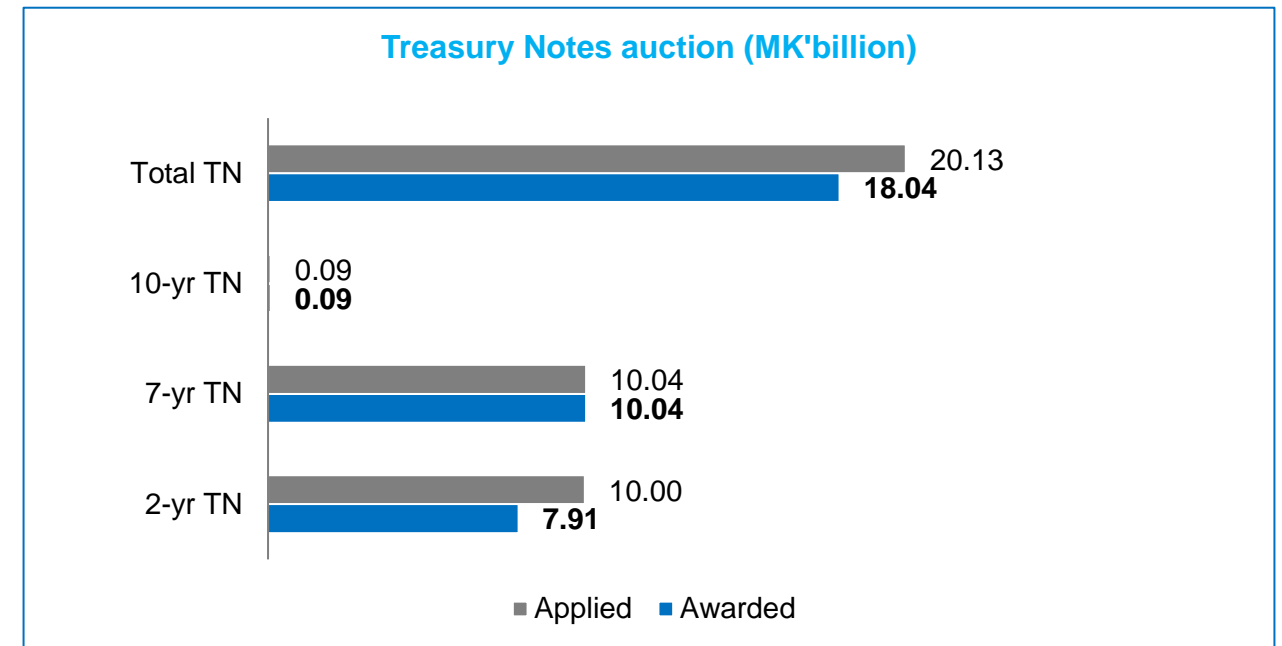
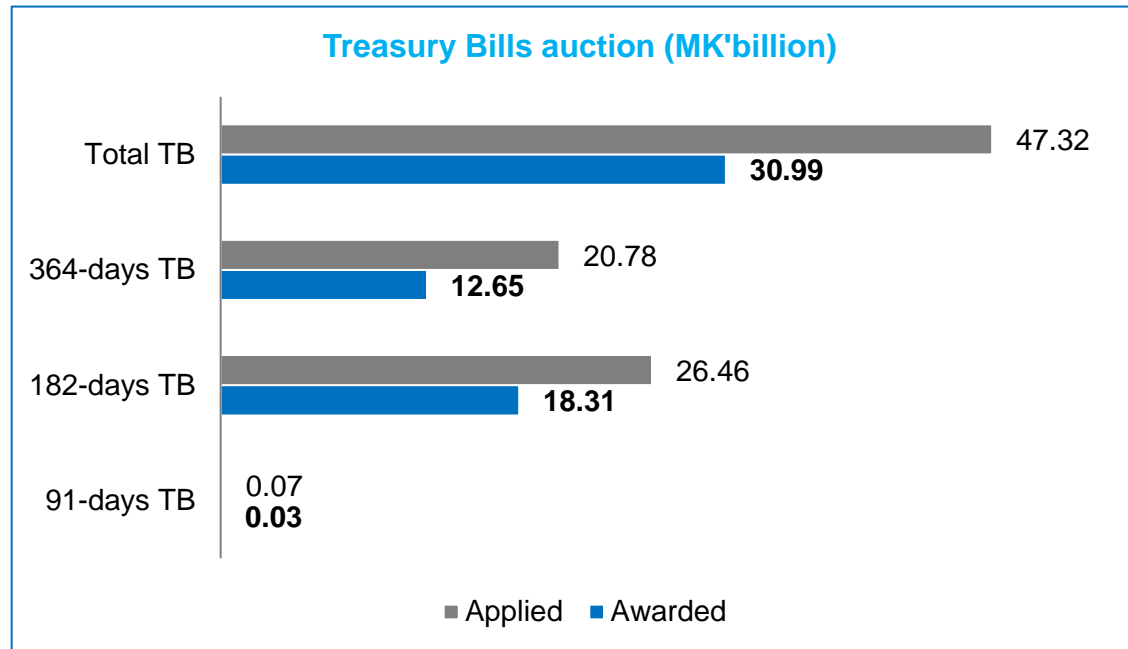
The Reserve Bank of Malawi held auctions of all tenors of Treasury Bills (TBs) on 6 June 2023 and a total of MK16.34 billion was raised from the TB auctions

The Reserve Bank of Malawi also held an auction for the 2-year Treasury Note (TN) and raised MK0.91 billion.

A re-opening for TBs and TNs was held on 8 June 2023 in which MK14.66 billion was raised from TBs and MK17.13 billion from TNs.

The total amount raised this week stood at MK49.03 billion.

The average TB yield increased to 17.83% from 17.66% while the average TN yield maintained at 27.90% during the week under review.



TB: Treasury Bill
TN: Treasury Note
Yr: Year



Appendix 1: Historical Economic Indicators

	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	9-Jun-23
Exchange rates (middle rates)																	
MK/USD	822.10	823.60	823.67	1,029.90	1,033.36	1,035.03	1,035.42	1,033.79	1,032.88	1,034.42	1,034.67	1,031.87	1,033.68	1,033.80	1,034.86	1,034.46	1,026.43*
MK/GBP	1,283.92	1,214.22	1,150.18	1,380.71	1,289.26	1,296.86	1,240.77	1,180.36	1,234.05	1,276.81	1,282.60	1,305.57	1,280.21	1,315.33	1,325.22	1,317.23	1,327.35*
MK/EUR	1,170.30	1,031.32	966.40	1,180.96	1,108.47	1,085.01	1,066.19	1,047.49	1,062.62	1,105.82	1,130.92	1,152.30	1,129.46	1,156.66	1,171.01	1,135.21	1,139.80*
MK/ZAR	64.84	66.90	59.34	72.04	65.02	64.13	62.49	58.78	58.36	62.11	62.69	60.72	57.32	59.76	57.89	53.58	56.05*
Foreign Exchange Reserves																	
Gross Official Reserves (USD'mn)	385.40	374.48	363.27	388.22	415.73	372.99	378.89	357.18	326.06	338.87	304.65	279.22	280.66	216.70	N/A	N/A	N/A
Private Sector Reserves (USD'mn)	407.22	391.49	362.84	401.13	401.60	396.02	398.43	408.84	427.67	400.77	399.20	384.37	378.54	375.40	N/A	N/A	N/A
Total reserves (USD'mn)	792.62	765.97	726.11	789.35	817.33	769.01	777.32	766.02	753.73	739.64	703.85	663.59	659.2	592.1	N/A	N/A	N/A
Gross Official Reserves Import cover (months)	1.54	1.50	1.45	1.55	1.66	1.49	1.52	1.43	1.30	1.36	1.22	1.12	1.12	0.87	N/A	N/A	N/A
Inflation																	
Headline	13.0%	14.10%	15.70%	19.10%	23.50%	24.6%	25.5%	25.9%	26.7%	25.8%	25.4%	25.9%	26.7%	27.0%	28.8%	N/A	N/A
Food	15.3%	17.10%	19.50%	25.50%	31.20%	32.5%	33.4%	33.7%	34.5%	33.4%	31.3%	30.5%	31.7%	32.4%	37.9%	N/A	N/A
Non-food	10.1%	10.50%	12.20%	13.20%	16.60%	17.5%	18.2%	18.3%	18.6%	17.7%	18.6%	20.4%	20.5%	20.2%	18.5%	N/A	N/A
Interest Rates																	
Monetary Policy rate	12.00%	12.00%	12.00%	14.00%	14.00%	14.00%	14.00%	14.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	22.00%	22.00%
Average Interbank rate	11.70%	11.70%	11.70%	11.84%	12.48%	12.50%	12.50%	12.50%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	19.26%	19.66%
Average base lending rate	12.20%	12.20%	12.20%	13.50%	13.80%	13.90%	14.20%	14.20%	18.20%	18.20%	18.20%	18.20%	18.20%	18.20%	18.20%	22.20%	22.20%
Commercial bank reference rate	12.20%	12.20%	12.20%	13.50%	13.80%	13.90%	13.80%	13.90%	13.90%	16.60%	17.30%	17.30%	17.30%	17.30%	17.30%	20.00%	21.00%
Government Securities Yields																	
91-days Treasury Bill	9.47%	9.74%	9.57%	9.75%	9.75%	10.00%	11.00%	11.00%	11.00%	13.00%	13.00%	13.00%	13.00%	13.00%	12.98%	13.00%	13.00%
182-days Treasury Bill	12.99%	13.00%	13.00%	15.00%	15.005	15.00%	15.50%	15.50%	15.50%	17.50%	17.50%	17.50%	17.50%	17.50%	17.50%	17.50%	18.00%
364-days Treasury Bill	15.00%	15.00%	15.00%	17.03%	17.60%	17.74%	18.33%	18.75%	18.75%	19.50%	19.50%	19.50%	19.50%	19.50%	19.50%	22.49%	22.50%
2-year Treasury Note	16.70%	17.00%	17.00%	18.50%	18.85%	20.50%	21.00%	21.50%	21.50%	22.50%	22.50%	22.75%	22.75%	22.75%	22.75%	24.75%	24.75%
3-year Treasury Note	19.33%	19.50%	19.50%	21.90%	22.00%	22.00%	23.00%	23.00%	23.00%	23.00%	24.00%	24.00%	24.00%	24.00%	24.00%	26.00%	26.00%
5-year Treasury Note	20.78%	21.00%	21.00%	23.95%	24.00%	24.00%	25.00%	25.00%	25.00%	26.00%	26.00%	26.19%	26.19%	26.25%	26.25%	28.00%	28.00%
7-year Treasury Note	21.98%	22.00%	22.00%	22.33%	22.33%	25.53%	26.75%	26.50%	26.50%	27.50%	27.50%	27.50%	27.50%	27.50%	27.50%	29.50%	29.50%
10-year Treasury Note	22.98%	22.98%	23.35%	23.35%	27.00%	27.00%	27.00%	27.50%	27.50%	27.50%	28.50%	28.50%	28.50%	28.50%	28.50%	31.19%	31.25%
Stock Market Indices																	
MASI	45,472.09	45,921.23	46,934.16	50,300.44	49,596.14	52,889.87	54,454.45	54,389.92	55,046.26	55,795.69	62,036.05	68,451.77	71,069.31	80,298.12	86,462.61	102,837.75	103,536.44
DSI	37,186.63	37,584.34	37,283.40	39,037.30	39,011.21	42,717.13	44,109.31	44,360.30	44,986.52	48,811.22	50,804.03	54,351.80	56,674.50	64,886.76	70,512.35	83,365.40	83,535.13
FSI	4,182.23	4,184.71	5,720.11	7,305.55	6,538.52	5,548.61	5,548.61	5,154.73	5,100.84	5,613.43	5,614.30	8,374.09	8,382.28	8,381.79	8,202.52	10,396.15	10,973.35

*: Reserve Bank of Malawi opening exchange rates as of 9 June 2023

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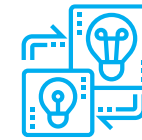
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